

BROWN'S MART COMMUNITY ARTS INC.

A.B.N. 54 728 007 607

**FINANCIAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2007**

BROWN'S MART COMMUNITY ARTS INC.

A.B.N. 54 728 007 607

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BROWN'S MART COMMUNITY ARTS INC.

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 \$	2006 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	531,354.97	352,697.00
Raw materials and consumables used		(30,300.03)	(16,806.00)
Employee benefits expense		(343,473.42)	(202,572.00)
Depreciation and amortisation expenses	3	(10,088.00)	(11,571.00)
Borrowing costs expense	3	-	-
Other expenses from ordinary activities		(307,754.61)	(126,670.00)
		<hr/>	<hr/>
Profit from ordinary activities before income tax expense	3	(160,261.09)	(4,922.00)
Income tax expense relating to ordinary activities	4	-	-
		<hr/>	<hr/>
Net profit from ordinary activities after income tax attributable to the members of the association	5	(160,261.09)	(4,922.00)
Net increase (decrease) in asset revaluation reserve		-	-
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Total changes in equity of the association		(160,261.09)	(4,922.00)
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The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash assets	7	262,312.81	387,775.07
Receivables	8	44,535.85	31,208.00
Other assets	9	3,330.00	3,330.00
TOTAL CURRENT ASSETS		310,178.66	422,313.07
NON-CURRENT ASSETS			
Property, plant and equipment	10	33,747.03	41,267.40
TOTAL NON-CURRENT ASSETS		33,747.03	41,267.40
TOTAL ASSETS		343,925.69	463,580.47
CURRENT LIABILITIES			
Payables	11	61,863.76	21,860.00
Provisions	12	10,605.22	4,999.09
Other	13	105,074.01	106,746.00
TOTAL CURRENT LIABILITIES		177,542.99	133,605.09
TOTAL LIABILITIES		177,542.99	133,605.09
NET ASSETS		166,382.70	329,975.38
EQUITY			
Contributed equity		-	-
Reserves	6	118,759.41	122,091.00
Retained profits	5	47,623.29	207,884.38
TOTAL EQUITY		166,382.70	329,975.38

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	2007	2006
	\$	\$
Cash at beginning of year	387,775.07	-
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Notes to the Statement of Cash Flows		
Reconciliation of Cash		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash on Hand	(1,390.69)	1,857.00
Deposits with Savings Banks	177,949.33	376,159.07
Brown's Mart Community Arts Donations Fund	15.57	14.38
Petty Cash Imprest	400.00	-
Cash Floats	1,202.00	-
Cash at Bank	84,136.60	9,744.62
	<hr/>	<hr/>
	262,312.81	387,775.07
<hr/>		
Reconciliation of Net Cash provided by Operating Activities to profit from ordinary activities after Income Tax.		
Operating profit (loss) after income tax	(160,261.09)	(16,957.00)
Non-cash flows in profit from ordinary activities		
Non-operating Income	(527.57)	(355.00)
Depreciation	10,088.00	11,571.00
Charges to current provisions	5,606.13	4,999.09
Non-cash flows in Profit(Loss) from Ordinary Activities:		
Changes in Assets and Liabilities:		
Decrease (Increase) in accrued income	-	(3,330.00)
Increase (Decrease) in sundry creditors	25,580.80	21,860.00
Increase (Decrease) in trade creditors	(1,370.62)	-
Increase (Decrease) in other creditors	31.64	-
Decrease (Increase) in income in advance	7,709.01	97,365.00
Decrease (Increase) in other current liabilities	(9,381.00)	9,381.00
Decrease (Increase) in receivables:		
Receivables	(12,277.85)	(31,208.00)
	100.00	-
	<hr/>	<hr/>
Cash flows from operations	(134,702.55)	93,326.09
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The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the NT Associations.

The financial report covers Brown's Mart Community Arts Inc. as an individual entity. Brown's Mart Community Arts Inc. is an association incorporated in the NT under the provisions of the NT Associations Act. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

The association is an endorsed income tax exempt charity, exempt from income tax.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Association to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge.

The useful life for each class of depreciable asset are:

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BROWN'S MART COMMUNITY ARTS INC.
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the association to an employee superannuation fund and are charged as expenses when incurred.

Cash

For the purposes of the statement of cash flows, cash includes cash on hand, at banks and on deposit.

Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

BROWN'S MART COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
2 Revenue		
Operating activities		
Sale of goods	52,185.36	21,511.00
Other revenue	233,369.63	86,012.00
	285,554.99	107,523.00
Interest from:		
Other Corporations	21,893.21	15,096.00
	307,448.20	122,619.00
 3 Profit from Ordinary Activities		
Profit from ordinary activities before income tax expense has been determined after:		
Expenses:		
Cost of sales	30,300.03	16,806.00
Depreciation of property, plant and equipment	10,088.00	11,571.00
Remuneration of auditor		
Accounting Standards	7,645.00	4,900.00
 4 Income Tax Expense		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax payable on profit from		
Income tax expense attributable to:		
Profit from ordinary activities before income tax	-	-

These notes are to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
7 Cash Assets		
Cash on Hand	(1,390.69)	1,857.00
Deposits with Savings Banks	177,949.33	376,159.07
Brown's Mart Community Arts Donations Fund	15.57	14.38
Petty Cash Imprest	400.00	-
Cash Floats	1,202.00	-
Cash at Bank	84,136.60	9,744.62
	<u>262,312.81</u>	<u>387,775.07</u>
8 Receivables		
CURRENT		
Security Deposits	(100.00)	-
Receivables	43,485.85	31,208.00
Loans from Employees Andy	950.00	-
Bong	200.00	-
	<u>44,535.85</u>	<u>31,208.00</u>
9 Other Assets		
CURRENT		
Accrued Income	3,330.00	3,330.00

These notes are to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
10 Property, Plant and Equipment		
Land and Buildings		
Office Furniture & Equipment	84,570.63	82,003.00
Less: Accumulated Depreciation	58,197.00	50,104.00
	26,373.63	31,899.00
Motor Vehicles	20,614.40	20,614.40
Less: Accumulated Depreciation	14,053.00	12,148.00
	6,561.40	8,466.40
Fringe Festival Plant & Equipment	1,527.00	1,527.00
Less: Accumulated Depreciation	715.00	625.00
	812.00	902.00
Total Plant and Equipment	33,747.03	41,267.40

Movement in Carrying Amounts:

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold	Plant and	Leased	Total
	Land	Buildings	Plant and	
	\$	\$	Equipment	\$
11 Payables				
CURRENT				
Brown's Mart Trustees			4,080.07	-
Sundry Creditors & Accruals			47,440.80	21,860.00
Accrued Superannuation			(1,370.62)	-
Credit Card Facility			31.64	-
Other Current Liabilities			110.00	-
GST Reporting Variances Account			(4,381.13)	-
Tax Clearing Account			14,441.00	-
			10,059.87	-
			60,351.76	21,860.00

These notes are to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.
A.B.N. 54 728 007 607

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2007

	2007	2006
	\$	\$
12 Provisions		
CURRENT		
Provision for Holiday Pay	7,638.38	3,550.69
Other Current Employee Provisions	2,966.84	1,448.40
	<u>10,605.22</u>	<u>4,999.09</u>
Aggregate employee benefit liability	<u>10,605.22</u>	<u>4,999.09</u>
Number of employees at year end	<u>6</u>	<u>6</u>
13 Other Liabilities		
CURRENT		
Unexpended Grants	105,074.01	97,365.00
Unexpended Grants, Fringe Festival	-	9,381.00
	<u>105,074.01</u>	<u>106,746.00</u>

These notes are to be read in conjunction with the attached audit report.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF

BROWN'S MART COMMUNITY ARTS INC.

A.B.N. 54 728 007 607

Scope

The special purpose financial report and committee's responsibility

The special purpose financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the statement by members of the committee for Brown's Mart Community Arts Inc. (the Association) for the year ended 31st December 2007.

The committee of the association is responsible for the preparation and true and fair presentation of the financial report in accordance with the NT Associations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the association. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the NT Associations Act, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the association's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Independence

In accordance with ASIC class order 05/83, we declare to the best of our knowledge and belief that the auditors independence declaration has not changed as at the date of providing our audit opinion.

Audit Opinion

In our opinion, the financial report of Brown's Mart Community Arts Inc. presents a true and fair view in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Brown's Mart Community Arts Inc. as at 31st December 2007, and the results of its operations and cash flows for the year then ended.

Name of Firm: Brian Tucker Accounting



Name of Partner:
Brian Tucker CPA

Dated this 28th day of March 2008

Address: 1/991 Stanley Street East, East Brisbane, Qld, 4169

BROWN'S MART COMMUNITY ARTS INC.

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF BROWN'S MART COMMUNITY ARTS INC.**

I declare that, to the best of my knowledge and belief, during the year ended 31st December 2007 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Name of Firm: Brian Tucker Accounting



Name of Partner:

Dated this 28th day of March 2008

Address: 1/991 Stanley Street East, East Brisbane, Qld, 4169

BROWN'S MART COMMUNITY ARTS INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 \$	2006 \$
GRANTS EXPENDED			
Arts NT, Operational Funding		130,000.00	150,000.00
Arts NT Project Grant, Production Guide		1,404.00	1,664.00
Arts NT, Project Grant, Referral Officer		-	4,528.00
Arts NT, Project Grant, Bamboo Lounge		13,891.91	7,941.00
Arts NT, Project Grant, NTACA		200.00	14,500.00
Arts NT, Project Grant, Sculpture 2006		-	13,000.00
Arts NT, Project Grant, Aboriginal Arts		3,809.00	14.00
Arts NT, Project Grant, Fist Full Of Films		2,700.00	-
Arts NT, Project Grant, Our Media		1,055.00	-
Arts NT, Project Grants, Other		709.00	2,090.00
Arts NT, Auspiced Grant, Tracy		-	4,000.00
Arts NT, Auspiced Grant, Scoping Indigenous Arts		9,091.00	-
Arts NT, Auspiced Grant, Emma Tantengco		449.00	-
Arts NT, Fringe, Larrakia Activities		3,032.00	-
Darwin City Council, Sculpture Project		-	10,000.00
Darwin City Council, Disability in the Arts		3,440.00	1,560.00
Darwin City Council, Tracy Development		-	4,000.00
Darwin City Council, International Womens' Day		2,395.00	-
Darwin City Council, Jazzblu Festiva; Darwin City Council, Fringe, Performance & New Media		2,183.00	-
Australia Council, Operating Costs		1,000.00	-
Australia Council, Open House Project		-	12,351.00
Australia Council, Celebrating the Decade		1,800.00	-
		<hr/>	<hr/>
		180,107.91	225,648.00
OTHER INCOME			
Interest Received		21,893.21	15,096.00
Fringe Festival Surplus (Deficit)		-	(1,693.00)
Recoveries		299.71	-
Non-operating Income		527.57	355.00
Other Revenue		224,633.26	85,657.00
Government Subsidies		7,909.09	-
Gross Profit (Loss) from Trading		21,885.33	4,705.00
		<hr/>	<hr/>
		277,148.17	104,120.00
		<hr/>	<hr/>
		457,256.08	329,768.00

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 \$	2006 \$
EXPENDITURE			
Accounting & Bookkeeping Services		9,220.00	-
Administration Costs		2,036.27	5,908.00
Advertising, Program Printing & General Marketing		18,731.71	7,849.00
Artists & Other Fees		95,284.45	36,492.00
Auditor's Remuneration		7,645.00	4,900.00
Bank Charges		555.53	943.00
Catering		2,956.69	1,171.00
Cleaning		912.50	-
Consultancy Fees		42,663.18	4,440.00
Computer Expenses		238.71	2,380.00
Contributions to Projects		-	500.00
Depreciation		10,088.00	11,571.00
Distribution & Mail-outs		1,160.33	-
Documentation		120.00	460.00
Electricity		798.24	-
Email, Internet & Website		1,559.21	-
Entertainment & Hospitality Expenses		1,089.59	-
Fees & Permits		1,089.47	-
Functions		68.14	1,161.00
Hire of Equipment & Facilities		5,471.10	-
Holiday Pay, Movement in Provision		4,087.69	-
In-kind Support Expenses		-	12,035.00
Insurance		19,073.56	7,426.00
Late Fees		880.00	-
Magazines, Journals & Periodicals		230.02	-
Materials & Production Costs		-	3,869.00
Meeting Expenses		190.40	-
Motor Vehicle Expenses		3,525.12	1,972.00
Personal Leave, Movement in Provision		1,518.44	-
Postage & Couriers		787.94	1,843.00
Printing, Publications		1,113.64	-
Printing & Stationery		7,153.50	6,106.00
Production Personnel		11,050.62	-
Production Equipment & Materials		1,340.49	601.00
Prizes		10,549.96	4,953.00
Publicity & Promotion		-	2,189.00
Purchase of Expensed Assets & Sundry Replacements		3,055.14	5,432.00
Repairs & Maintenance		2,028.76	2,358.00
Security Costs		1,915.80	-
Staff Amenities		624.32	1,095.00
Staff Training		702.67	985.00
Subscriptions		330.00	175.00
Sundry Expenses		11,643.96	146.00
Superannuation Contributions		25,184.75	13,532.00
Telephone		8,095.88	9,192.00
Travelling Expenses		20,074.25	7,099.00
Volunteers & Honoraria		-	500.00
Venue Costs		10,894.34	3,927.00
Wages		313,576.66	187,945.00

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.

BROWN'S MART COMMUNITY ARTS INC.

INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007

	Note	2007 \$	2006 \$
		661,316.03	351,155.00
Profit from ordinary activities before income tax		(160,261.09)	(16,957.00)
Income tax expense attributable to operating profit		-	-
Profit from ordinary activities after income tax		(160,261.09)	(16,957.00)
Retained profits (Accumulated losses) at the beginning of the financial year		207,884.38	211,824.38
Total available for appropriation		47,623.29	194,867.38
Aggregate of amounts transferred to reserves		-	(13,017.00)
Retained profits (Accumulated losses) at the end of the financial year		47,623.29	207,884.38

The accompanying notes form part of these financial statements.

This report is to be read in conjunction with the attached audit report.